VZCZCXRO1936 PP RUEHLMC DE RUEHLP #1729/01 1781430 ZNY CCCCC ZZH P 271430Z JUN 06 FM AMEMBASSY LA PAZ TO RUEHC/SECSTATE WASHDC PRIORITY 9753 INFO RUEHAC/AMEMBASSY ASUNCION 5956 RUEHBO/AMEMBASSY BOGOTA 3273 RUEHBR/AMEMBASSY BRASILIA 7120 RUEHBU/AMEMBASSY BUENOS AIRES 4380 RUEHCV/AMEMBASSY CARACAS 1664 RUEHPE/AMEMBASSY LIMA 1665 RUEHMN/AMEMBASSY MONTEVIDEO 3878 RUEHQT/AMEMBASSY QUITO 4298 RUEHSG/AMEMBASSY SANTIAGO 8851 RHMFISS/HQ USSOUTHCOM MIAMI FL RUMIAAA/USCINCSO MIAMI FL RUEHLMC/MILLENNIUM CHALLENGE CORP RHEBAAA/DEPT OF ENERGY WASHINGTON DC RUEATRS/DEPT OF TREASURY WASHINGTON DC RHEHNSC/NSC WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 LA PAZ 001729

STPDIS

SIPDIS

STATE FOR WHA/AND P.FRENCH AND L.PETRONI

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TAGS: ECON PGOV PREL BL

SUBJECT: HISTORY REPEATS ITSELF?

REF: A. LA PAZ 1157

¶B. LA PAZ 1517
¶C. LA PAZ 1660

Classified By: Amb. David N. Greenlee for reasons 1.4(b) and (d).

- 11. (C) Summary: Bolivia's 1952 revolution, led by the National Revolutionary Movement (MNR), redistributed land and nationalized mining resources (including tin, Bolivia's principal export at the time) in an effort to correct economic disparity and established universal suffrage to promote greater social inclusion among the indigenous. Half a century later, President Morales, via the July 2 Constituent Assembly, promises to "refound" Bolivia on behalf of its indigenous majority, redistributing land and nationalizing natural resources. Morales' official campaign platform is clearly leftist, but not extreme; his critics fear that his unofficial policies are much more radical. While today's Bolivia is not the Bolivia of 1952, the demands of Bolivia's indigenous majority remain largely unchanged. Morales will attempt to meet those demands via the Constituent Assembly, but if he loses, he may find another means to the same ends. End summary.
- 12. (SBU) After three days of intense fighting between armed peasants and miners and the Bolivian army, the National Revolutionary Movement (MNR) regained power in April 1952. Prior to the revolution, the Bolivian state was weak, the economy was stagnant, and the indigenous majority suffered from social, economic, and political exclusion. Most Bolivians perceived land distribution as unjust, and many criticized the "underutilization" of large estates. In 1950, Bolivia, still dependent on tin exports, was the world's highest-cost producer of tin, with little to show in terms of profits.
- 13. (SBU) The MNR's populist program mobilized Bolivia's middle class and peasants to completely reorganize society. Militias sprung up throughout Bolivia, and armed peasants began seizing land and calling for nationalization of natural resources. Once in office, President Victor Paz Estenssoro met popular demands (and pressure from the labor sector) by

breaking up many of western Bolivia's latifundios, nationalizing the mining sector (via the creation of COMIBOL, the state-owned mining company), establishing universal suffrage by eliminating literacy requirements for voters, and beginning to rebuild the weak Bolivian state.

- $\underline{\P}4$. (SBU) Half a century later, President Morales, via the upcoming Constituent Assembly, promises to "refound" Bolivia on behalf of its indigenous majority, redistributing land and nationalizing natural resources (see reftels). He also proposes political changes. The Movement Toward Socialism (MAS) party advocates amending the Constitution to provide for a second round if no presidential candidate wins 50 percent plus one vote in the first round (as opposed to sending the vote to Congress). The official MAS position is that the president should serve a five-year term with no possibility of re-election, with the people granted the power to revoke the president's mandate by direct popular vote. The party's economic platform is based on rejection of the "neoliberal" model and pursuit of international economic relations "with dignity and sovereignty" (see reftels). Socially, the MAS promises universal access to health care and education. The party's official proposal also vaguely discusses new administrative and political subdivisions within regional departments to recognize indigenous communities and seeks to "decolonize" the judicial system by electing judges and prosecutors. In short, the MAS' official proposal is clearly leftist, but not extreme.
- 15. (C) Morales' critics, however, fear that his unofficial policies are much more radical. Many analysts and opposition figures agree that the Morales government will attempt to consolidate power by calling new national elections following

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the Constituent Assembly to renew its mandate and strengthen its control over Congress and the prefects. On many issues, the Morales government engages in "double talk," putting forth its moderate official position while encouraging its bases to take a more radical approach. For example, while the MAS is not officially pursuing presidential re-election, individual MAS officials and social sector groups have called for it. Likewise, while Vice President Garcia Linera has said the GOB's official position on departmental autonomy is neutral, many MAS officials have clearly stated their opposition to autonomy, and even Morales has stated he will personally vote against it.

- $\P6.$ (C) The MAS' alleged campaign tactics support the opposition's theories that the MAS has hidden, undemocratic aims. In addition to reports that the MAS will use syndicalist pressure to get out the vote on July 2 (using either bribes or threats as leverage), opposition political parties offer anecdotal evidence of the MAS' undemocratic tendencies. On June 25, participants in a MAS march intimidated supporters of other political parties, coming to blows with an MNR candidate who resisted pressure to clear the MAS' planned route. A female Podemos Constituent Assembly candidate told Emboffs that she frequently receives threatening phone calls and has gotten dead animals in the mail. A few weeks ago, her car, full of campaign materials, was stolen. When the materials resurfaced, illegally posted in churches and restricted campaign areas, she was fined. The candidate attributes the intimidation tactics to the MAS, although she has no proof.
- 17. (C) Comment: While today's Bolivia is not the Bolivia of 1952, the demands of Bolivia's indigenous majority remain largely unchanged. The populist rhetoric of the 1950's is the core of Morales' campaign. Land distribution, nationalization of natural resources (this time hydrocarbons), and social inclusion are the big issues, just as they were over fifty years ago. As in the '50's, the Bolivian state is weak, and people are ready for drastic change. In some ways, history is repeating itself. Morales will attempt to meet the people's demands via the Constituent

Assembly, but if he loses, he may govern by decree as another means to the same ends. End comment. GREENLEE